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ALABAMA DEPARTMENT OF REVENUE FAVORED GEOGRAPHIC AREAS

are defined by law (Section 40-18-190(5), Code of Alabama 1975), as either of the following:

a. **State Enterprise Zones** (as defined by the Alabama Enterprise Zone Act, including parts of 25 counties and parts of 3 cities).

b. **Less Developed Counties.** The Department of Industrial Relations (DIR) determines these counties, based on three criteria in the law: percent change in population over the most recent 5-year period, personal per capita income in the last calendar year, and average percent employed over the last 12 months. DIR must re-determine Less Developed Counties every year on January 1.

FAVORED GEOGRAPHIC AREAS For Alabama Income Tax Capital Credit January 1, 2005 – December 31, 2005

County	Rank	Area
Barbour County	EZ	Enterprise Zones only
Bullock County	66	Entire county*
Butler County	58	Entire county*
Chambers County	51	Entire county
Cherokee County	EZ	Enterprise Zones only
Choctaw County	61	entire county
City of Birmingham	EZ	Enterprise Zones only
City of Montgomery	EZ	Enterprise Zones only
City of Prichard	EZ	Enterprise Zones only
Clarke County	50	entire county*
Clay County	EZ	Enterprise Zones only
Conecuh County	55	entire county
Coosa County	52	entire county
Covington County	EZ	Enterprise Zones only
Dallas County	59	entire county*
Escambia County	46	entire county*
Etowah County	EZ	Enterprise Zones only
Fayette County	48	entire county
Greene County	59	entire county
Hale County	49	entire county

County	Rank	Area
Jackson County	EZ	Enterprise Zones only
Lamar County	62	entire county
Lawrence County	EZ	Enterprise Zones only
Lowndes County	57	entire county*
Macon County	53	entire county*
Marion County	45	entire county
Mobile County	EZ	Enterprise Zones only
Monroe County	54	entire county*
Perry County	64	entire county*
Pickens County	55	entire county*
Pike County	EZ	Enterprise Zones only
Randolph County	EZ	Enterprise Zones only
Russell County	EZ	Enterprise Zones only
Sumter County	67	entire county*
Talladega County	EZ	Enterprise Zones only
Tallapoosa County	EZ	Enterprise Zones only
Washington County	63	entire county
Wilcox County	65	entire county*
Winston County	47	entire county

* Some areas in some counties meet both criteria for "favored geographic areas." The counties are "less developed" as determined by DIR, plus, the counties contain Enterprise Zones. For these counties, the "less developed" condition allows broader access to the income tax capital credit because companies anywhere in the county can use the lower thresholds for investment (\$500,000) and new employees (5) in qualifying for the credit.